

SECRET

JIM
CHAM-0171

COPY 1 OF 1

30 September 1959

25X1

To:

P. O. Box 1324
Main Post Office
Washington, D. C.

Subject: Completed Contract NOas 58-812c

As you will recall, in June you audited the costs incurred on subject contract and negotiated a settlement with us in order to expedite final billing. We then worked up a draft of the Contractor's cumulative claim and reconciliation which amounted to \$222,374.03 costs claimed and a final billing of \$63,149.55. As of that date, this represented our final known cost.

In August accounting, much to our chagrin, additional costs amounting to \$7,750.00 were charged to the contract. An investigation disclosed that on February 22, 1959, we subcontracted certain wind tunnel tests to the Massachusetts Institute of Technology on our Purchase Order No. 554661 (copy attached). This liability was not recorded on our open commitment report until July 1959 and therefore, was not known at the time of your audit.

To straighten out this matter we suggest either one of the following methods:

1. Change our final voucher and related release papers to reflect an increase of \$7,750.00. The final voucher would then be \$70,899.55 and our cumulative claim and reconciliation \$230,124.03.
2. Process our final voucher and cumulative claim and reconciliation in the amounts agreed upon during your audit. The additional cost of \$7,750.00 could then be submitted for reimbursement on a supplemental final voucher number 1.

Either of the above methods is agreeable to us; however, because of your audit we will bill this additional cost using the method most convenient for you. We have not as yet submitted "final" voucher or attendant release.

We sincerely regret any inconvenience that this matter may have caused and will greatly appreciate an early reply.

25X1

Contracts Coordinator

25X1

Amended
SECRET
55-100

Take
55-100
Prop Sec.

Sanitized Copy Approved for Release 2011/01/11 : CIA-RDP89B00709R000400800004-3

A DIVISION OF GENERAL DYNAMICS CORPORATION

(SAN DIEGO)
Massachusetts Institute of
Technology 23850
Dept. of Aeronautical Engineering
Naval Supersonic Laboratory
600 Memorial Drive
Cambridge 39, Massachusetts

SHIP TO: CONVAIR, SAN DIEGO 12, CALIFORNIA
Fort Worth, Texas
Engineering Department

ATTN: [REDACTED] Engineering Department
Registered Mail and Rail express
CHIP VIA
Framid

ORDER

42

MODEL

U. S. GOVT
CONTRACT
NO. 58-812

APPROP. No.

SALES ORDER 1949-1-4

SALES ORDER 1949-1-4

SHOW ON ALL PACK-
ING LISTS, INVOICES
AND COMMUNICA-
TIONS.

Nº 554661 S.D.
554661-SD

DATE 2/22/59

ACCT. No. 4-7-063

W. O. No. 449

REQ. NO.

BUYER

TERMS Net 30 days

107

P. O. B.

TERMS Net 30 days

ACCOUNTING COPY

ITEM	QUANTITY	UNIT	ITEM DESCRIPTION	MAT'L NO.	PRICE UNIT	UNIT PRICE	DISCOUNT
			This Purchase is issued to cover the cost of conducting wind tunnel test and designing and fabrication of a model for this program in accordance with instructions from Convair Fort Worth representatives assigned to monitor the Seller's task. The task is completed and was accomplished for a total cost of \$7,750.00.				

[illegible]

TOTAL OF ORDER [7,750.00

FOR RESALE PERMIT NO. 6-78810 ☒ NOT FOR RESALE [

INSPECTION: All material subject to --

inspection at -

[illegible]

Sanitized Copy Approved for Release 2011/01/11 : CIA-RDP89B00709R000400800004-3

STAT
STAT

STAT

1-1-20